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Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil Gas and Mining

JOHN R. BAZA
Division Director

July 11, 2008

Lantz Indergard
Lisbon Valley Mining
920 South County Road 313
La Sal, Utah 84530

Subject: Partial Bond Release Request, Lisbon Valley Mining, Lisbon Valley Copper Mine, M0370088, Task 2410, San Juan County, Utah

Dear Mr. Indergard:

Lisbon Valley Mining Company (LVMC) has submitted a request for bond reduction and amendments to the Notice of Intention to provide detailed descriptions and assumptions for each line item in the bond spreadsheet. At this time the Division is not comfortable with the explained assumptions and detail to release any of the existing reclamation surety.

The Division currently holds a Surety Bond in the amount of \$6,076,888, escalated to year 2009, for the Lisbon Valley Copper Mine.

The Division encourages you to continue with the proposed amendment to the plan to further clarify descriptions and assumptions associated with the reclamation costs.

Please call if you wish to further discuss this decision, (801) 538-5258.

Sincerely,

Susan M. White
Minerals Program Manager

SMW:PBB

cc: Rebecca Doolittle, Moab BLM

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